



House of Representatives

General Assembly

File No. 69

February Session, 2014

House Resolution No. 5

House of Representatives, March 20, 2014

The House Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE OFFICE OF EARLY CHILDHOOD AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION (CSEA-SEIU LOCAL 2001).

Resolved by this House:

- 1 That the collective bargaining agreement between the Office of
- 2 Early Childhood and the Connecticut State Employees Association
- 3 (CSEA-SEIU Local 2001), submitted to this assembly for approval
- 4 February 24, 2014, as provided in subdivisions (7) and (8) of subsection
- 5 (e) of section 17b-705a of the general statutes, is approved.

APP *House Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY14	FY 15	FY 16	FY 17
Social Services, Dept.	GF - Cost	3,642,363	0	0	0
Early Childhood, Off.	GF - Cost	0	8,494,625	10,546,106	11,806,708

Municipal Impact: None

Explanation

The resolution will result in a total cost of \$34 million across four years associated with the Care4Kids program. The cost is dependent on the approval of a collective bargaining agreement between the Office of Early Childhood (OEC) and the Connecticut State Employees Association (CSEA- SEIU Local 2001). This agreement covers the period January 1, 2014 through June 30, 2017 and applies to family child care providers (home-based providers only).

General Fund (GF) estimated costs associated with this agreement are \$3,642,363 in FY 14; \$8,494,625 in FY 15; \$10,546,106 in FY 16; and \$11,806,708 in FY 17. Upon adoption of the agreement, the FY 14 costs will be paid from the Child Care Services- TANF/CCDBG account in the Department of Social Services where the Care4Kids program currently resides. The Care4Kids program will move to OEC beginning in FY 15.¹ A summary of the estimated GF contract costs is provided below:

¹ Pursuant to PA 13-184, the FY 14- FY 15 Budget, funding for the Care4Kids program was moved from the Department of Social Services to the Office of Early Childhood.

Cost Estimate of Agreement

Cost Component	FY 14 \$	FY 15 \$	FY 16 \$	FY 17 \$	Total Value of Contract
3.0% General Wage Increase	283,264	871,332	1,507,709	2,180,803	4,843,109
Infant/Toddler Parity	389,886	1,214,486	2,236,708	2,824,217	6,665,297
Increase Wages- Unlicensed Providers	2,619,213	5,631,307	6,024,189	6,024,189	20,298,897
Mandatory Orientation	200,000	325,000	325,000	325,000	1,175,000
Signing Bonus	150,000	-	-	-	150,000
Professional Development Fund	-	200,000	200,000	200,000	600,000
License Maintenance Bonus	-	200,000	200,000	200,000	600,000
CDA/NAFCC Accreditation Incentive	-	50,000	50,000	50,000	150,000
New License Fee Reimbursement	-	2,500	2,500	2,500	7,500
TOTAL	3,642,363	8,494,625	10,546,106	11,806,708	34,489,803

General Wage Increase - This agreement establishes a 3% wage increase for the duration of the agreement. The agreement allows for pay increases as of January 1, 2014. The wage increase costs are estimated to be \$283,264 in FY 14, \$871,332 in FY 15, \$1,507,709 in FY 16, and \$2,180,803 in FY 17.

Infant/Toddler Parity - Rate increases for licensed family child care providers of infant and toddler programs are included to reach parity with the differential paid to licensed facilities. Rates are increased by 8.25% in FY 14 and FY 15 and by 10% in FY 16. In FY 17, there is no increase, however it is noted that rates may be increased to maintain parity. The costs associated with these increases are estimated to be \$389,886 in FY 14, \$1,214,486 in FY 15, \$2,236,708 in FY 16, and \$2,824,217 in FY 17.

Increased Hourly Wage for Unlicensed Providers - The agreement provides for a wage increase for unlicensed providers equal to one-third of the state's minimum wage. Current law specifies that the

minimum wage is \$8.70 as of January 1, 2014 and \$9.00 as of January 1, 2015. The costs associated with these wage increases are \$2,619,213 in FY 14, \$5,631,307 in FY 15, and \$6,024,189 in FY 16 and FY 17. The agreement notes that any increase in the minimum wage as of January 1, 2016 or 2017 would result in corresponding increases under this program as well.

Mandatory Orientation – Providers must attend a four-hour mandatory orientation program for which they will receive a one-time payment of \$75. The costs associated with the orientation payments are \$200,000 in FY 14, and \$325,000 each year thereafter.

Signing Bonus – Upon ratification, licensed family child care providers with more than one year of service will receive a one-time payment of \$80, while unlicensed providers will receive \$40. The cost associated with the signing bonus is estimated to be \$150,000 in FY 14.

Professional Development Fund – The agreement requires the state to allocate \$200,000 per year for the purpose of defraying the costs of professional development activities. Any unspent funds will be carried forward to the following fiscal year.

License Maintenance Bonus – Unlicensed family child care providers who become licensed and maintain the license for one year will receive a one-time \$500 payment. The cost associated with this is estimated to be \$200,000 per year.

Accreditation Incentive – The agreement requires the state to allocate \$50,000 per year for members who have achieved certain accreditations. Members achieving a Child Development Associate credential will receive \$500, while members achieving National Association of Family Child Care accreditation will receive \$750.

New License Fee Reimbursement – Unlicensed family child care providers who become licensed will be reimbursed for the license fee. The total cost associated with this reimbursement is \$2,500 per year for FY 15 through FY 17.

Fringe Benefits/Pension – Article 1, Sections Two and Three of the agreement clarify that family child care providers are not state employees and are not eligible for a state employee fringe benefit package. However, the agreement requires the state and the union to establish a work group and make recommendations by January 2015 regarding possible strategies to increase the availability of health care coverage to bargaining unit members. If an agreement extending health care coverage is reached and has a cost, it will be filed with the legislature for approval.

Funding Availability – Funding was not provided in the original FY 14 and FY 15 budget for this purpose. However, as stated above, the FY 14 costs will be paid out of the DSS Child Care Services account. As this funding was not included in the original FY 14 budget, funds will be transferred from the Medicaid account to cover the estimated \$3.6 million shortfall. The FY 15 cost associated with the family child care providers covered under this agreement is estimated at \$8,494,625. The Governor’s FY 15 Revised Budget includes funding of \$11,306,600 in the Child Care Services- TANF/CCDBG in the Office of Early Childhood to support the costs associated with the agreement as well as costs for other providers participating in the Care4Kids program (licensed centers) not covered by the agreement (estimated at \$2,811,975).

Member Overview – As of February 2014, there were 4,321 members of the bargaining unit, of which 939 were licensed and 3,382 were unlicensed.

The Out Years

The provisions of the agreement are effective through June 30, 2017. FY 17 costs total \$11.8 million as detailed above

*.Sources: Care4Kids Program Information
Office of Policy and Management*

OFA Bill Analysis**HR 5*****RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE OFFICE OF EARLY CHILDHOOD AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION (CSEA-SEIU LOCAL 2001).*****SUMMARY:**

The resolution is between the Office of Early Childhood (OEC) and the Connecticut State Employees Association (CSEA- SEIU Local 2001). This award covers four years for the period January 1, 2014 through June 30, 2017 and applies to family child care providers (home-based providers only).

EFFECTIVE DATE: January 1, 2014

BACKGROUND***Public Act 12-33***

PA 12-33 allows family child care providers paid by the state's Care4Kids program and personal care attendants (PCAs) to collectively bargain with the state through an employee organization (i.e., a union) over reimbursement rates, benefits, payment procedures, contract grievance arbitration, training, professional development, and other requirements and opportunities. It explicitly states that child care providers and PCAs are not state employees and, except for the bargaining rights provided in the act, do not have the rights, obligations, privileges, and immunities statutorily provided to state employees. It also requires the General Assembly to affirmatively approve any contract or arbitration award that would require additional appropriations to maintain existing service levels.

COMMITTEE ACTION

Appropriations Committee

House Favorable

Yea 23 Nay 15 (03/12/2014)